

Settlements and Judgments

FY 2002 Proposed Operating Budget:	\$23,450,000
FY 2002 Proposed Capital Budget:	\$0

The Settlements and Judgments fund provides the fiscal resources to settle claims and lawsuits and pay judgments in all types of tort cases entered against the District of Columbia.

The FY 2002 proposed operating budget totals \$23,450,000, no change from the FY 2001 approved budget.

Budget Summary

The FY 2002 proposed operating budget for the Settlements and Judgments fund is \$23,450,000, no change from the FY 2001 approved budget (table ZH0-1). No full-time equivalents (FTEs) are supported by this budget.

gram identifies both claims and lawsuits (based on established criteria) for early resolution.

Strategic Issue

In FY 2002, the Office of the Corporation Counsel will strive to reduce the District's overall level of risk by reducing, over time, the District's potential exposure to certain kinds of situations.

Agency Background

The Settlements and Judgments fund was created out of a need to address increased litigation against the District government over the last 25 years. The fund has been part of the District's annual appropriation for many years.

Historically, the Settlements and Judgments fund has been administered by the General Litigation Division located in the Office of the Corporation Counsel because most claims and lawsuits paid out of the fund are handled by this part of the office. Although the fund is the responsibility of the Corporation Counsel, which makes all final decisions about the use or placement of the fund in the agency, the fund is distinct and separate from the Corporation Counsel's operating budget.

The Office of the Corporation Counsel generally assesses the potential exposure to the District government in cases and claims paid through the Settlements and Judgments fund by reviewing the facts and the applicable law pertinent to cases.

FY 2002 Initiatives

- Institute a risk management program for all District executive branch agencies.
- Empower the risk manager, appointed by the Mayor to oversee these efforts and to coordinate risk management throughout the District from the perspective of prevention and claims investigation.
- Continue the Early Settlement Program implemented in FY 2000 and based in the General Litigation Division located in the Office of the Corporation Counsel. The pro-

Table ZH0-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Settlements and Judgments

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Other Services and Charges	26,924	23,450	23,450	0
Contractual Services	41,242	0	0	0
<i>Total Nonpersonal Services (NPS)</i>	<i>68,166</i>	<i>23,450</i>	<i>23,450</i>	<i>0</i>
Total Proposed Operating Budget	68,166	23,450	23,450	0

Table ZH0-2

FY 2002 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Settlements and Judgments

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	21,031	19,658	68,166	23,450	23,450
Gross Funds	21,031	19,658	68,166	23,450	23,450

Often other factors are considered, including the degree of injury to the plaintiff and policy considerations. A recommendation to settle or litigate a case originates with the Assistant Corporation Counsel assigned to the case. Depending on the amount of settlement authority requested, the determination is then reviewed by several supervisors within the Office of the Corporation Counsel. The Corporation Counsel's authority to settle a case is limited to \$500,000; for amounts greater than \$500,000, the settlement decision rests with the Mayor.

Programs

The Office of the Corporation Counsel anticipates approximately 1,620 new lawsuits in FY 2002, the same number the District government handled in the previous two years. Not all of these anticipated new lawsuits will be tort cases to be paid from the Settlements and Judgments fund. Likewise, the Corporation Counsel anticipates approximately 2,500 claims to be filed in FY 2002 (similar to the previous two years).

Funding Summary

The proposed local budget is \$23,450,000, no change from FY 2001. Settlements and Judgments receives 100 percent of its funding from local sources. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Trend Data

Table ZH0-2 shows expenditure levels for FY 1998–Proposed FY 2002.